

## **“Africa and Europe: a chance for a new start?”**

Speech

by former Federal President Prof. Horst Köhler

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with the Federation of German Industries

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I would like to thank the German Africa Foundation and the Federation of German Industries for focusing attention on our neighbouring continent during these times of crisis. And I would like to thank all of you who are here today, whether virtually or in the flesh. At the moment we physically need to keep our distance. But in a political context we can talk about close relations between Europe and Africa, and it is more urgent than ever that we do so.

For Africa and Europe are united by a common destiny. When the German Africa Foundation was established in 1978, the African continent had a population of around 450 million – one third less than Europe. Today, it is home to around 1.3 billion people, and by the middle of the century this will have grown to 2.5 billion. And while we in Europe are turning grey, with an average age of 45 years, half of the people in Africa are under the age of 18. Giving these young Africans a purpose and prospects for living, not least through decent work opportunities, has to be in the interests of both Africa and Europe! These young people could be a significant transformative force in achieving the goal formulated by the African Union in its Agenda 2063: “an integrated, prosperous and peaceful Africa”. A demographic dividend of this nature would also benefit Europe. However, a scenario of African demography as a time bomb is also conceivable.

As yet, it is unclear which way the development will go. Africa is undeniably in the throes of change. Nowhere else are there as many people with mobile bank accounts, for example – in the area of non-cash transactions Africa is much more advanced than we are. In 2018, African technology start-ups raised 1.2 billion US dollar in equity capital, more than twice as much as the previous year. And at the beginning of this year, “Queen Sono”, the first Netflix series produced in Africa, was launched. However, job creation is far from keeping pace with population growth. And this problem has become even more serious in recent years. After a sharp upswing in the first decade of the new millennium, economic growth has slowed down again in many African countries. Manufacturing currently represents only 11 percent of GDP. Due to COVID-19, Africa is entering a recession this year for the first time in 25 years. Progress in poverty reduction will suffer a brutal setback. And we also need to be aware that two thirds of the countries most severely threatened by climate risks are located in Africa.

The German Africa Foundation persistently works across all parties to ensure that Africa policy issues are heard in the German Bundestag. It is not least down to the Foundation that increasing numbers of deputies are focusing on Africa as a defining issue for the future. As a platform for interaction, the Foundation ensures that Africa is an active participant in and not just the subject of the conversation. And that is certainly an important condition for building a

“substantially new” partnership as mentioned in the announcement for tonight. We therefore have every reason first to express our thanks. First and foremost to the long-serving President, Professor Karl-Heinz Hornhues, who sadly cannot be here today, and to you, Dr Eid. Thank you – for your forward thinking, for your ideas, for your tireless commitment. Both of you celebrated a special birthday in the past year – so please allow me to offer you belated congratulations and wish you all the very best!

Political interest in Africa has increased in Germany. The Federal Chancellor has visited the continent eight times in the last five years. Half a dozen Federal Ministries have their own Africa strategies. So many, in fact, that I notice confusion about them in Africa from time to time. Here, in contrast, Africa policy is often mentioned in the same breath as “tackling root causes of migration”. That is far too narrow a view of relations between the two neighbouring continents. And in Europe, Africa is still far too often perceived as an object of well-intentioned concern.

For me, establishing a “substantially new” partnership therefore means one thing above all: Europe must adopt a fundamentally new attitude towards Africa; an attitude that finally comprehends Africa as an independent political subject, with its own visions and its own responsibility, with its own desire to act and its own options. Only that kind of attitude can open the door to a partnership of equals. But then, Europe must also understand the “substantially new partnership” with Africa as one where there is a need for mutually dependent political change and action on both sides.

## I.

Let me start with the question of attitude. Right at the beginning of the pandemic, we were warned of apocalyptic conditions in Africa. But the continent responded in a determined and coordinated manner. By mid-February, the AU health ministers had already adopted a joint strategy, which includes the current development of a pan-African virus tracking app, for example. Africa in turn was astounded to note how uncoordinated Europe’s activity was, and how presidents of large countries in the world even went so far as to deny that there was such a problem as a pandemic. It is still too early to say whether COVID-19 has already passed its peak in Africa. But the example demonstrates once again that our perception of Africa often says a lot more about ourselves than about the prevailing reality there.

Do we actually take sufficient notice of these realities? Africans’ identity-finding process, for instance; and their desire to take control of their own destiny? This desire is clearly articulated in an open letter from 100 African intellectuals published in April. In it, they call upon their political leaders to demonstrate self-confidence in connection with the pandemic: “Africa has sufficient material and human resources to build a shared prosperity on an egalitarian basis and in respect of the dignity of each and everyone.” We should be pleased that a new generation is confidently seeking to define its African identity in the 21<sup>st</sup> century. I therefore advise Europe to show humility and openness also in connection with the question of returning colonial cultural artefacts. Here, we need to develop an awareness of our long-repressed colonial past – there, the issue is the restoration of dignity and lost identity.

The future of Africa is also the subject of lively and in-depth discussion on the continent itself. Jakkie Cilliers, your latest book, “Africa First!”, is one example of this. I’ll come back to that later. I also read with great interest a very recent study conducted by the Institute for Security Studies in Pretoria, an institution very familiar to you, on “Relations between Africa and Europe: Mapping Africa’s Priorities”, today’s topic. The study critically examines the draft Comprehensive Strategy with Africa published by the EU Commission in March and formulates clear recommendations for the African negotiators: they should make sure that the cooperation is anchored in the institutional architecture of the AU and that it is tailored to the priorities of the continent. For my part, I can only recommend that such African studies are carefully scrutinised and evaluated also in the capitals and parliaments of Europe. We need to get away from the entrenched preconception of “Africa has problems, we have the solution”, as Africa researcher Robert Kappel says.

With its Agenda 2063, the African Union developed its own vision for the future of the continent years ago: “The Africa we want”. One central project is the creation of the African Continental Free Trade Area (AfCFTA). Properly implemented, this could be an invaluable basis for cashing in the demographic dividend in Africa, for generating jobs and income for its people locally. It is encouraging that the European Commission also sees an African Continental Free Trade Area as a "top priority" and wants to help achieve a breakthrough.

The fact that the planned EU-AU Summit has had to be postponed due to COVID-19 also harbours an opportunity. The postponement gives the negotiators more time to conduct in-depth talks before submitting joint top priorities regarding content and implementation to the heads of state and government. Precisely because we ought to expect more from our African partners than that they simply approve our proposals and ask for more funding to implement them, intensive discussion should take priority over speed. The credibility gained could make up for the time lost: not least by ensuring that a European "Comprehensive strategy with Africa" finally includes more effective coordination of national Africa policies.

## II.

That brings me to my second point. Responsibility for the future of the continent lies first and foremost with Africans themselves – and that is how I understand the title of Jakkie Cilliers’ book: “Africa First”! Jakkie, in your book you set out what is required for a growth revolution: from “fix the basics” to “leapfrogging”, that’s to say laying the groundwork and vaulting over development levels. However, you write that the most important prerequisite is “accountable, honest leaders”!

In this respect, Nelson Mandela set standards – far beyond South Africa. President Cyril Ramaphosa is struggling today not only with the COVID-19 crisis but also with the structural legacy of the many years of state capture under President Jacob Zuma. The causes of bad governance in Africa are complex. The good news is that Africans have long since been focusing on this question. I know that – and not only from my many encounters and talks with African leaders. In my view, the ever more vociferous struggle of African civil societies against corruption and state capture is also an example of this. The Mo Ibrahim Foundation has taken on the task of assessing and fostering good governance and involves young Africans

in particular in its work – the Now Generation. Recent surveys carried out by the polling organisation Afrobarometer indicate that to the majority of Africans their governments' democratic accountability is more important than how efficient their governments are. That shows that the foundations of democracy in Africa have become rather more solid. We're witnessing the opposite trend in some countries in the northern hemisphere.

However, not only Africans but also Europeans have a responsibility. Here are three examples:

Firstly, corruption and money laundering also bear the numbers of European bank accounts. Every year more money leaves Africa illegally than the continent receives in international development assistance (currently around 50 billion US dollars). The legal authorities of the two sides can and must work together more closely to tackle this problem. And when it comes to the ongoing talks on the reform of international business taxation within the OECD, Europe should advocate a new, global taxation structure which grants African countries access to a fair share of taxes and places limits on base erosion and profit shifting.

Secondly, there is immense growth potential for Africa, for jobs and for food security in the farming industry. However, it will remain difficult for Africa to build up a modern agricultural sector which gives small farmers and those processing their products opportunities on the market – both on their own markets and on the international markets – without changes to European agricultural policy.

Thirdly, when concluding economic partnership agreements, does the EU ensure that African countries are granted sufficient protection for the development of infant industries? And does it ensure that such regional and bilateral agreements won't fragment the African internal market on a long term basis, thus undermining the chances of the African Continental Free Trade Area?

The list could be extended. One thing is certain: a successful economic transformation of Africa requires (as in a system of communicating tubes) corresponding structural reforms in Europe as well! I am convinced that the key to a "substantially new" partnership between our two continents lies precisely in seeking to find a win-win situation in the existing asymmetries. Two areas are of strategic importance here:

Firstly, it is about building confidence for structurally new financial bridges. How can we combine the unused savings of Europe's aging societies with the huge need for investment of Africa's societies, which are young yet lacking in capital? That's no easy task. But I believe it can be solved. The Compact with Africa could live up to its name here.

Secondly, we must also build technology bridges faster. Africa as a latecomer has the chance to place its growth on a climate-friendly and sustainable basis from the outset. Europe's companies can supply the hardware. This requires a faster and more effective technology transfer. We can learn and experiment together! I regard this, for example, as a key goal of the joint project launched by Morocco and Germany on the industrial production of green hydrogen.

### III.

That brings me to my third and final point – the active involvement of German business. At present, global foreign direct investments by German companies amount to around 1300 billion euro. However, less than 11 billion euro go to Africa. That's a mere 0.8%. Our major companies in particular have been comparatively inactive there until now. I wouldn't recommend that anyone invests in Africa for purely idealistic reasons. Given the geopolitical structural upheavals, however, shouldn't Germany, the world's leading industrial exporter, ask itself sooner rather than later where the new markets of the future lie? Until now, the African market seemed too fragmented, unfathomable and unpredictable. But where is the predictability if a tweet from President Trump or a political decision by President Xi can call into question entire sectors?

At any rate, the future African internal market has the potential of a market on Europe's doorstep which will soon have more than two billion people. I welcome the German Government's support for an institute for applied Africa research proposed by German business. That could help German industry to formulate its own plan on how it can become more actively and creatively involved in the development of this huge new market. It's certainly not enough to merely want to sell goods in Africa! Waiting until all investment conditions there are ideal and the affluent middle classes are large enough is not a strategy either.

We know from the history of Germany's own economy that companies often organise themselves in clusters abroad. Medium-sized and small companies follow the large ones. This pattern could also prove its worth in Africa now. Can the BDI contribute its experience with special economic zones? And instead of complaining that there are no more German general contractors for major infrastructure projects, it may be worthwhile to cooperate with our European partners in these two areas.

In particular, the growth revolution in Africa outlined by Jakkie Cilliers requires the continent's skills gap to be tackled. Competence in vocational training is one of the most important assets which our small and medium-sized companies in particular can contribute to a substantially new partnership. I think it's great, for example, that the Mechanical Engineering Industry Association has now launched three vocational training projects with the support of the Federal Ministry for Economic Cooperation and Development: in Kenya, Botswana and Nigeria. Dr Reinhold Festge, one of the driving forces behind these projects, always speaks with enthusiasm of the smart young men and women he meets on his trips to Africa. I wholeheartedly agree with him. One of my favourite events as Federal President was the reception for young potentials from sub-Saharan Africa who were able to continue their training in German companies thanks to the Afrika Kommt! Initiative. There was always so much energy and optimism in the room! I'm glad that this initiative has flourished further under the patronage of President Steinmeier.

#### IV.

The coming months will show whether we have finally given our neighbouring continent the necessary political priority; whether we take it seriously as a partner and are prepared to make changes on our side. The COVID-19 crisis is a litmus test for this. It was good that the African countries were granted a debt moratorium. However, further-reaching finance relief will be necessary. Moreover, access to a vaccine against COVID-19 must also be available to Africa as a common global good as soon as possible!

Europe will need allies if it wants to continue to safeguard its interests and values in tomorrow's world. Africa and Europe, due to their history and geography, are natural partners who can join forces in the major search processes of our time - whether they be related to the digital transformation or to shaping globalisation or to overcoming global warming and ecological crises. Commissioner Jutta Urpilainen, who will be addressing us shortly, put it so aptly: "What else is the new partnership than exploring together?"

We must find development paths which make it possible for everyone to live in dignity without destroying the planet. That's what the UN 2030 Agenda for Sustainable Development stands for. The African Union has linked this agenda to a greater extent than any other continent to its own vision. If we try out new paths together, Africa can become prosperous. And, what's more, the 21<sup>st</sup> century could even become an African-European century, with a strong United Nations and strong multilateralism in world politics.